

service that FiberNet currently provides to its customers. Furthermore, the Transaction itself will not affect the rates for services that FiberNet customers currently receive.<sup>21</sup>

**C. The Transaction Poses No Competitive Risks for Domestic Markets**

Domestic interstate interexchange market. The combination of NTELOS and FiberNet will pose no threat to competition in the domestic interstate interexchange market. NTELOS and FiberNet each have a very small share of this market and provide interstate service only on a resale basis. Furthermore, all of the NTELOS and FiberNet subsidiaries that provide domestic interstate services -- including NTELOS Telephone and RBTC, NTELOS' ILEC subsidiaries -- are regulated as nondominant.<sup>22</sup> The Commission has previously determined that combinations between nondominant carriers where the resulting entity holds less than a 10 percent share of the domestic interstate interexchange market are "extremely unlikely [to] result in a public interest harm" and "unlikely to raise public interest concerns."<sup>23</sup> The combined market share of NTELOS and FiberNet will fall well below that threshold.

Local exchange markets. More importantly, the combination of NTELOS and FiberNet will not harm competition in local exchange markets. In merger cases involving ILECs, the Commission has found that where mergers between non-BOC ILECs result in

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<sup>21</sup> In view of the current rapidly changing communications market, any provider must constantly review its pricing strategies and product mix to respond appropriately to marketplace demands. While rates, terms, and conditions will be the same immediately after the Transaction as immediately before the Transaction, prices and product mix necessarily will change over time in the normal course of business and pursuant to standard regulatory and legal processes.

<sup>22</sup> See *Regulatory Treatment Of ILEC Provision Of Interexchange Services Originating In The ILEC's Local Exchange Area and Policy And Rules Concerning The Interstate, Interexchange Marketplace*, 12 FCC Rcd. 15756, ¶ 163 (1997) (establishing criteria for independent ILECs to be eligible for nondominant regulatory treatment).

<sup>23</sup> *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, Report and Order, 17 FCC Rcd. 5517, ¶ 30 (2002) ("Domestic Streamlining Order") (citing to U.S. Dept. of Justice and Federal Trade Commission Horizontal Merger Guidelines, § 1.51 n.18).

(i) *de minimis* overlaps and (ii) no or only minimal adjacencies between ILEC markets where the adjacent exchanges are very small, "no harm to competition is likely to occur."<sup>24</sup> Here, no FiberNet subsidiary is an ILEC in any market, so there are no ILEC-ILEC overlaps or ILEC-ILEC adjacencies. Furthermore, there is no overlap between FiberNet's CLEC operations and NTELOS' ILEC operations. As noted previously, NTELOS provides service as a rural ILEC exclusively in Virginia, specifically in the cities of Waynesboro and Covington, and portions of Alleghany, Augusta and Botetourt counties. FiberNet provides no service at this time in any of these locations in Virginia.

At present, NTELOS and FiberNet both provide or have plans to provide local exchange services on a competitive basis in the portions of Virginia, Maryland, and West Virginia listed in Exhibit A. In each of these locations, NTELOS and FiberNet compete with the resident ILEC as well as with other competitive service providers, as shown. The continuing presence of these service providers post-close means that the elimination of FiberNet as a competitor is unlikely to have a negative impact on competition or otherwise harm the public interest in these locations. Indeed, the Commission has previously recognized that combining the operations of two overlapping CLECs will not result in competitive harm because of the presence of other competitors in the region.<sup>25</sup>

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<sup>24</sup> *Joint Applications of Global Crossing Ltd. and Citizens Communications Co.*, 16 FCC Rod. 8507, ¶ 9 (2001).

<sup>25</sup> *See XO Communications, Inc. for Consent to Transfer Control of Licenses and Authorizations Pursuant to Section 214 and 310(d) of the Communications Act and Petition for Declaratory Ruling Pursuant to Section 310(b)(4) of the Communications Act*, 17 FCC Rod 19212, 19225 (2002); accord, *Joint Applications of Telephone and Data Systems, Inc. and Chorus Communications, Ltd.*, 16 FCC Rod 15293, ¶ 9 (2001) (where an ILEC and a CLEC merge, the loss of a competitor is not likely to result in a public interest harm where a significant number of actual and potential competitors remain post-merger, and the carrier being eliminated serves primarily business customers).

**D. The Transaction Poses No Competitive Risks for the International Market**

Finally, the Transaction poses no risk of anticompetitive impact on the U.S. international telecommunications marketplace. NTELOS and FiberNet each have a very small share of the international telecommunications market, and both provide international services only on a resale basis. Neither NTELOS nor FiberNet is a foreign carrier or affiliated with a foreign carrier in any market. As such, the combination of NTELOS and FiberNet would have no ability to adversely affect competition in the international telecommunications market.

**V. INFORMATION REQUIRED BY SECTION 63.24(e) OF THE COMMISSION'S RULES**

In support of this Application, the Applicants submit the following information pursuant to Section 63.24(e) of the Commission's Rules, including the information requested in Section 63.18.

**(a) Name, address and telephone number of the Applicants:**

One Communications Corp. (Transferor)  
5 Wall Street  
Burlington, MA 08103  
Tel: (781) 362-5700

FiberNet of Virginia, Inc.  
FiberNet, L.L.C.  
FiberNet Telecommunications of Pennsylvania, LLC  
FiberNet of Ohio, LLC  
(Licensees)  
1200 Greenbrier Street  
Charleston, WV 25311  
Tel: (800) 320-6144

NTELOS Inc. (Transferee)  
401 Spring Lane, Suite 300  
PO Box 1990  
Waynesboro, VA 22980

Tel: (540) 946-3500

- (b) One is a corporation organized under the laws of Delaware. FiberNet of Virginia, Inc. is a corporation organized under the laws of Virginia; FiberNet, L.L.C. is a limited liability company organized under the laws of West Virginia; FiberNet Telecommunications of Pennsylvania, LLC is a limited liability company organized under the laws of Pennsylvania; and FiberNet of Ohio, LLC is a limited liability company organized under the laws of Ohio. NTELOS is a corporation organized under the laws of Virginia.

- (c) Correspondence concerning this Application should be sent to:

For NTELOS:

Mary McDermott  
Senior Vice President, Legal and Regulatory Affairs  
NTELOS Inc.  
401 Spring Lane, Suite 300  
P.O. Box 1990  
Waynesboro, Virginia 22980  
Tel: (540) 946-8677  
mcdermottm@ntelos.com

For One and FiberNet:

Ray Ostroski  
Executive Vice President, Legal and Compliance  
One Communications Corp.  
5 Wall Street  
Burlington, MA 08103  
Tel: (781) 522-8773  
rostroski@onecommunications.com

With copies to:

Brad E. Mutschelknaus  
Joan M. Griffin  
Melissa Conway  
Kelley Drye & Warren LLP  
3050 K Street, NW, Suite 400  
Washington, D.C. 20007  
Tel: (202) 342-8400  
[bmutschelknaus@kelleydrye.com](mailto:bmutschelknaus@kelleydrye.com)  
[jgriffin@kelleydrye.com](mailto:jgriffin@kelleydrye.com)  
[mconway@kelleydrye.com](mailto:mconway@kelleydrye.com)

- (d) One holds global international facilities-based and resale Section 214 authority granted in IB File No. ITC-214-20040708-00260. The FiberNet subsidiaries operate pursuant to One's international Section 214 authority as permitted by Section 63.21(h) of the Commission's Rules, 47 CFR § 63.21(h), and One's July 31, 2006 notification in FCC File No. ITC-214-20040708-00260 (FCC Report No. TEL-01075, DA No. 06-2020, released October 12, 2006). Post-close, One will retain this international Section 214 authority, and the FiberNet subsidiaries will provide international services pursuant to NTELOS' international Section 214 authorizations. NTELOS Network holds Section 214 authority to provide international switched voice services on a resale basis as granted in File Nos. ITC-214-19970710-00390 and ITC-ASG-20031002-00479. R&B Network holds Section 214 authority to provide international switched voice services on a resale basis as granted in File No. ITC-214-19970418-00215.
- (h) Post-close, the FiberNet Subsidiaries will remain direct, wholly-owned subsidiaries of Mountaineer, a West Virginia limited liability company that will continue to function as a holding company. Mountaineer will become a direct, wholly-owned subsidiary of NTELOS FiberNet, a Virginia corporation that will function as a holding company. NTELOS FiberNet is a direct, wholly-owned subsidiary of NTELOS, a Virginia corporation that functions as a holding company. NTELOS is a direct, wholly-owned subsidiary of NTELOS Holdings, a Delaware corporation and the ultimate parent holding company of the NTELOS subsidiaries that are telecommunications service providers. The address of the FiberNet Subsidiaries (post-close), Mountaineer (post-close), NTELOS FiberNet, NTELOS, and NTELOS Holdings is 401 Spring Lane, Suite 300, P.O. Box 1990 Wynyeshoro, VA 22980.

Quadrangle collectively holds a 27.4 percent voting and equity direct interest in NTELOS Holdings and thus a 27.4 percent voting and equity indirect interest in NTELOS. As discussed below, Quadrangle's interest in NTELOS is held by certain private equity funds managed by affiliates of Quadrangle Group. Quadrangle Group is a private investment firm based in New York City with more than \$3 billion in assets under management. All Quadrangle entities are organized under U.S. law.

Quadrangle GP Investors LP (and its parent Quadrangle GP Investors LLC) holds an aggregate indirect interest of 13.9 percent in NTELOS. The managing members of Quadrangle GP Investors LLC are Peter Ezersky, Michael Huber, and Joshua Steiner, all of whom are U.S. citizens. Quadrangle GP Investors LLC is the general partner of Quadrangle GP Investors LP, which is in turn the general partner of Quadrangle Capital Partners LP, Quadrangle Capital Partners-A LP, and Quadrangle Select Partners LP (collectively, the "Quadrangle I Funds"). The Quadrangle I Funds together directly own an estimated 13.9 percent of NTELOS Holdings and thus indirectly own an estimated 13.9 percent of NTELOS. No individual fund holds more than 10 percent.

Quadrangle GP Investors II LP (and its parent QCP GP Investors II LLC) holds an aggregate indirect interest of 13.5 percent in NTELOS. The managing members of QCP GP Investors II LLC are Peter Ezersky, Andrew Frey, Michael Huber, Edward Sippel, and Joshua Steiner. Although QCP GP Investors II LLC and Quadrangle GP Investors LLC share the same managing members, the assets and business of each LLC are completely separate. QCP GP Investors II LLC is the general partner of Quadrangle GP Investors II LP, which is in turn the general partner of Quadrangle (AIV2) Capital Partners II LP, Quadrangle Capital Partners II-A LP, and Quadrangle (AIV2) Select Partners II LP (collectively, the "Quadrangle II Funds"). The Quadrangle II Funds together, as managing members, directly own an estimated 13.5 percent of NTELOS Holdings and thus indirectly own an estimated 13.5 percent of NTELOS. Only Quadrangle (AIV2) Capital Partners II LP holds more than 10 percent of NTELOS.

The address of all individuals and entities affiliated with Quadrangle is Quadrangle Group LLC, 375 Park Avenue, New York, NY 10152.

There are no other individuals or entities that currently hold 10 percent or more of NTELOS or will hold 10 percent or more of NTELOS following consummation of the Transaction. There are currently no interlocking directors with foreign carriers and will be no interlocking directors with foreign carriers post-close.

- (i) As evidenced by the signature of NTELOS' authorized representative to this Application, NTELOS certifies that post-close neither NTELOS nor its subsidiaries will be foreign carriers or affiliated with any foreign carriers.
- (j) As evidenced by the signature of NTELOS' authorized representative to this Application, NTELOS certifies that post-close, (i) it will not be a foreign carrier; (ii) it will not control any foreign carriers; (iii) no entity that will own more than 25 percent of or control NTELOS controls a foreign carrier; and (iv) two or more foreign carriers (or parties that control foreign carriers) will not own, in the aggregate, more than twenty five (25) percent of NTELOS.
- (k) Not applicable.
- (l) Not applicable.
- (m) Not applicable.
- (n) As evidenced by the signature of NTELOS' authorized representative to this Application, NTELOS certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route, and that it will not enter into such agreements in the future.

- (o) As evidenced by the signatures of Applicants' authorized representatives to this Application, the Applicants certify, pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules, that no party to this Application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.
- (p) Post-close, NTELOS will not be a foreign carrier and will not have any foreign carrier affiliations. Thus, this Application qualifies for streamlined processing pursuant to Section 63.12 of the Commission's Rules, 47 C.F.R. §63.12.

**VI. INFORMATION REQUIRED BY SECTION 63.04(b) OF THE COMMISSION'S RULES**

In accordance with the requirements of Section 63.04(b) of the Commission's Rules, 47 C.F.R. §63.04(b), the additional information required for the domestic components of this Application is provided in Exhibit B.

**VI. CONCLUSION**

Based on the foregoing, the Applicants respectfully submit that the public interest, convenience and necessity would be furthered by grant of this Application and the requested Section 652(d)(6) waiver.

Respectfully submitted,

**NTELOS INC.**

**ONE COMMUNICATIONS CORP.  
FIBERNET OF VIRGINIA, INC.  
FIBERNET, L.L.C.  
FIBERNET TELECOMMUNICATIONS  
OF PENNSYLVANIA, LLC  
FIBERNET OF OHIO, LLC**



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**Their Attorneys**

Date: July 30, 2010



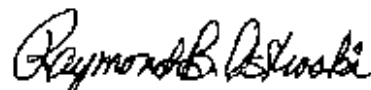
**VI. CONCLUSION**

Based on the foregoing, the Applicants respectfully submit that the public interest, convenience and necessity would be furthered by grant of this Application and the requested Section 652(d)(6) waiver.

Respectfully submitted,

**NTELOS INC.**

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FIBERNET, L.L.C.  
FIBERNET TELECOMMUNICATIONS  
OF PENNSYLVANIA, LLC  
FIBERNET OF OHIO, LLC**



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**Their Attorneys**

Date: July 30, 2010

### **LIST OF EXHIBITS**

<b>EXHIBIT A -- NTELOS/FiberNet CLEC-CLEC Service Area Overlaps</b>
<b>EXHIBIT B -- Information Required by 47 C.F.R. §63.04</b>
<b>EXHIBIT C -- Current Corporate Structure of NTELOS</b>
<b>EXHIBIT D -- All Current Owners of NTELOS That Hold a 10 Percent or Greater Interest</b>
<b>EXHIBIT E -- Current Corporate Structure of One and FiberNet</b>
<b>EXHIBIT F -- Corporate Structure of NTELOS Post-Close</b>
<b>EXHIBIT G -- Suddenlink Franchise Areas in Which FiberNet Provides Telephone Exchange Service</b>

**Exhibit A**  
**NTELOS/FiberNet CLEC –CLEC Service Area Overlaps**

<u>State</u>	<u>CLEC Service Area</u>	<u>Competitors</u>
MD	Hagerstown	Verizon Paetec New Frontiers Level 3 AT&T Granite Spectrotel
VA	Winchester	Verizon AT&T Shentel Level 3 KDL Intellifiber Qwest Zayo
WV	Beckley (Glen Daniels, Whitesville, Summersville, Mount Hope, Pineville, Oak Hill, Fayetteville, Mullens) Bluefield Charleston (Kanawha City, South Charleston, St Albans, Hurricane, Milton, Nitro, Scott Depot, Alum Creek, Belle) Clarksburg Huntington (Barboursville) Lewisburg (Union) Logan Martinsburg Montgomery Morgantown Parkersburg Point Pleasant Princeton White Sulphur Springs	Verizon Frontier AT&T Jet Broadband (Shentel) Suddenlink KDL CityNet Qwest Zayo Windstream

## **EXHIBIT B**

### **INFORMATION REQUIRED BY 47 C.F.R. §63.04**

In accordance with the requirements of Section 63.04(b) of the Commission's Rules, 47 C.F.R. § 63.04, the Applicants provide the following information in support of their request.

**63.04(a)(6): Description of the Transaction**

The proposed transaction is described in Section II of the Application.

**63.04(a)(7): Description of Geographic Service Area and Services in Each Area**

A description of the geographic service areas in which the transferor and the transferee (and their affiliates) offer domestic communications services, and a list of services provided in each area, is provided in Section I of the Application.

**63.04(a)(8): Qualification for Streamlined Treatment**

Not applicable, as the Applicants do not request streamlined treatment for the domestic portion of this Application.

**63.04(b)(9): Other Pending Commission Applications Concerning the Proposed Transaction**

None.

**63.04(b)(10): Special Considerations**

None.

**63.04(b)(11): Waiver Requests (If Any)**

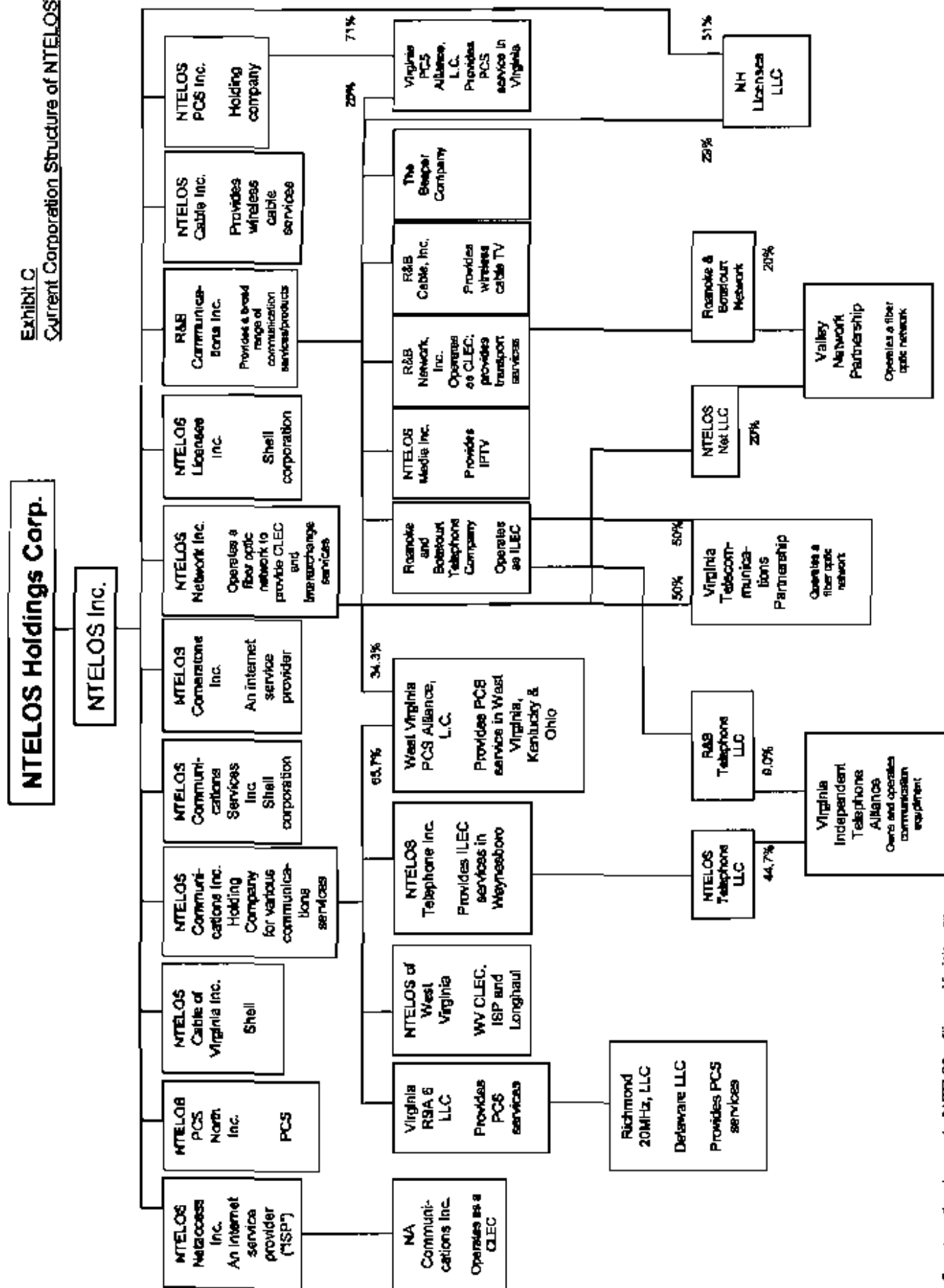
The Applicants request a waiver of the cable/telecom buyout restrictions in Section 652(b), 47 U.S.C. § 572(b), pursuant to Section 652(d)(6) of the Act, 47 U.S.C. §

572(d)(6), and Section 76.505(d)(6) of the Commission's Rules, 47 CFR § 76.505(d)(6), as discussed in Section III of the Application.

**63.04(b)(12): Public Interest Statement**

Consummation of the Transaction will serve the public interest for the reasons detailed in Section IV of the Application.

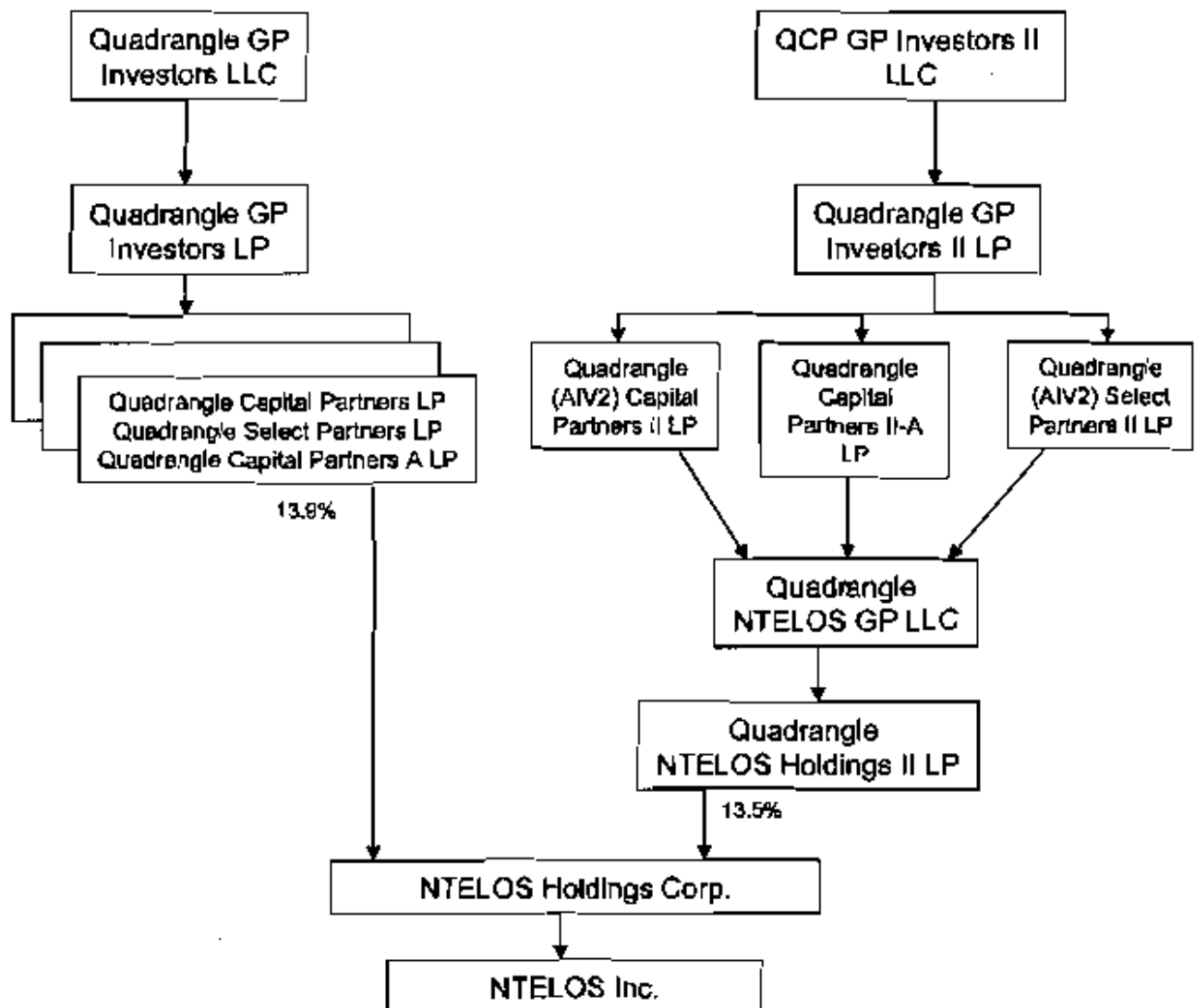
**Exhibit C**  
**Current Corporation Structure of NTELOS**



Except as otherwise noted, all NTEL.Q5 entities are Virginia entities.

**NTELOS Inc.**  
**Owners Holding a 10% or Greater Interest**

Exhibit D



**NOTES:**

(a) Quadrangle GP Investors LP (and its parent Quadrangle GP Investors LLC) hold an aggregate indirect interest of 13.8% in NTELOS. Quadrangle GP Investors LLC, whose Managing Members are Peter Ezereky, Michael Huber, and Joshua Steiner, is the General Partner of Quadrangle GP Investors LP. Quadrangle GP Investors LP is in turn the General Partner of Quadrangle Capital Partners LP, Quadrangle Capital Partners-A LP and Quadrangle Select Partners LP, which together directly own an estimated 13.8% of NTELOS Holdings Corp. and its subsidiaries, including NTELOS Inc., although no individual fund holds more than 10%.

(b) Quadrangle GP Investors II LP (and its parent QCP GP Investors II LLC) hold an aggregate indirect interest of 13.5% in the filer. QCP GP Investors II LLC, whose Managing Members are Peter Ezereky, Andrew Frey, Michael Huber, Edward Sippel, and Joshua Steiner, is the General Partner of Quadrangle GP Investors II LP. Although QCP GP Investors II LLC and Quadrangle GP Investors LLC share the same managing members, the assets and business of each LLC are completely separate. Quadrangle GP Investors II LP is in turn the General Partner of Quadrangle (AIV2) Capital Partners II LP, Quadrangle Capital Partners II-A LP and Quadrangle (AIV2) Select Partners II LP, which together, as managing members, directly own an estimated 13.5% of NTELOS Holdings Corp. and its subsidiaries, including NTELOS Inc. Only Quadrangle (AIV2) Capital Partners II LP holds more than 10% of NTELOS Holdings Corp.

**Exhibit E**  
**Current Corporate Structure of One Communications Corp. and FiberNet**

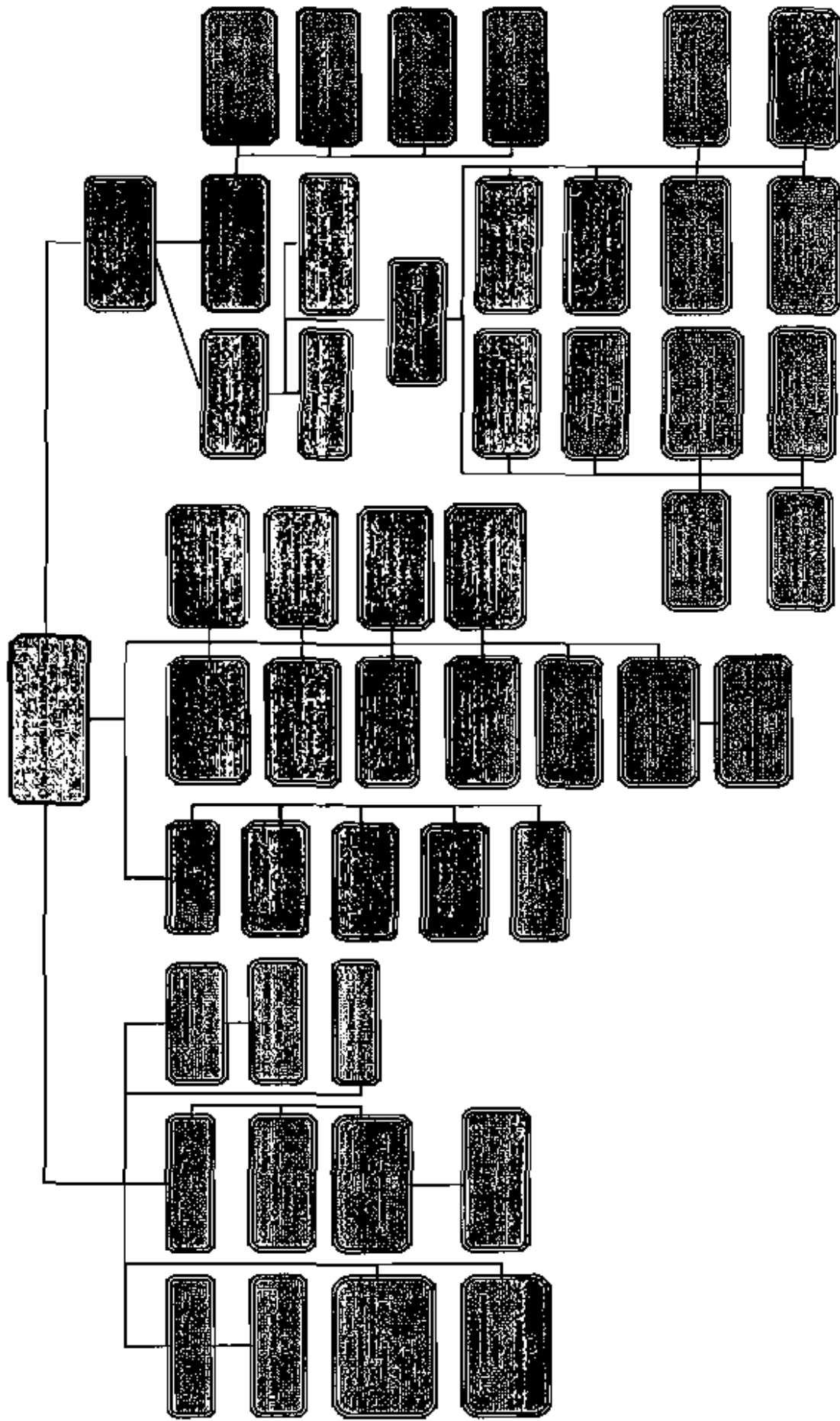
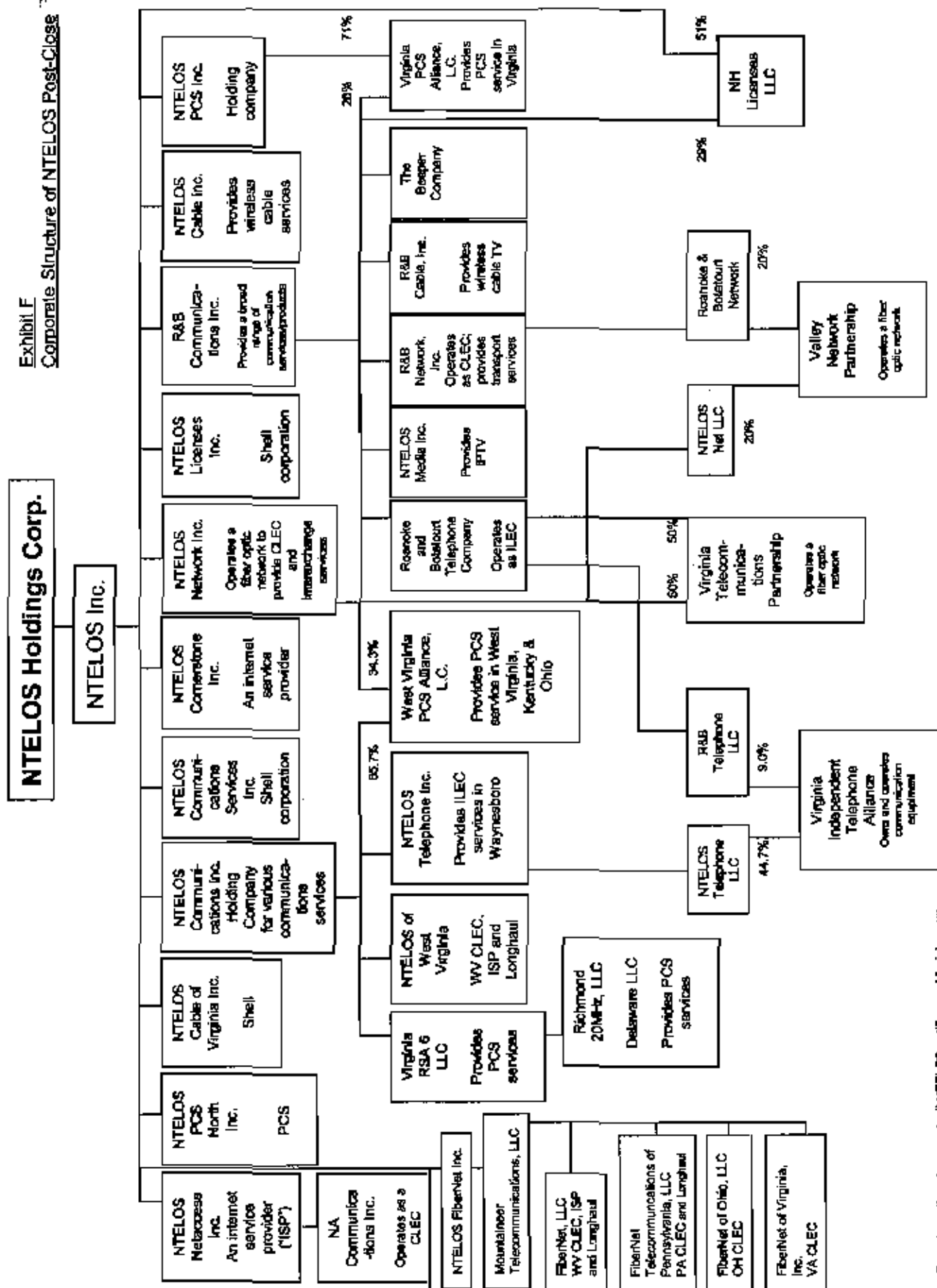




Exhibit F

Corporate Structure of NTELOS Post-Close



Except as otherwise noted, all NTELOS entities are Virginia entities.

**Exhibit G**  
**Suddenlink Franchise Areas in Which**  
**FiberNet Provides Telephone Exchange Service\***

<u>State</u>	<u>Service Area</u>
MD	Oakland
KY	Grayson
KY	Pikeville
KY	Pineville
KY	Warfield
OH	Belpre
OH	Marietta
WV	Alderson
WV	Alum Creek
WV	Beckley
WV	Buckhannon
WV	Charleston
WV	Danville
WV	Elizabeth
WV	Elkins
WV	Flemington
WV	Logan
WV	Milton
WV	New Martinsville
WV	Parkersburg
WV	Peterstown
WV	Point Pleasant
WV	Princeton
WV	Ravenswood
WV	Ripley
WV	Rupert
WV	Saint Marys
WV	Salem
WV	Shinnston
WV	Sissonville
WV	Spencer
WV	Wayne
WV	White Sulphur Springs
WV	Williamson

\* The information regarding Suddenlink's franchise areas was obtained from a review of map created by Data Mapping, Inc., dated May 2007, showing the Cable Television Franchise Areas for the Northeast United States. The Applicants are continuing to confirm the accuracy and completeness of the areas listed in the map, and will update this Application in the event that new information becomes available that necessitates such an update.